

105TH CONGRESS  
2D SESSION

# H. R. 3147

To authorize the United States to enter into an executive agreement with Canada relating to the establishment and operation of a binational corporation to operate, maintain, and improve facilities on the Saint Lawrence Seaway, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1998

Mr. OBERSTAR (for himself, Mr. LATOURETTE, Mr. DINGELL, Mr. OBEY, Mr. CONYERS, Ms. KAPTUR, Mr. LIPINSKI, Mr. TRAFICANT, Mr. VISCLOSKY, Mr. PETERSON of Minnesota, Mr. STUPAK, Mr. LAFALCE, Mr. JOHNSON of Wisconsin, Ms. STABENOW, Mr. JACKSON of Illinois, and Ms. RIVERS) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To authorize the United States to enter into an executive agreement with Canada relating to the establishment and operation of a binational corporation to operate, maintain, and improve facilities on the Saint Lawrence Seaway, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the  
 3 “Binational Great Lakes-Seaway Enhancement Act of  
 4 1998”.

5 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purposes.
- Sec. 3. Definitions.
- Sec. 4. Executive agreement.

TITLE I—SAINT LAWRENCE SEAWAY CORPORATION

- Sec. 101. Functions of Corporation.
- Sec. 102. Board of directors.
- Sec. 103. Director General.
- Sec. 104. Employment system and practices.
- Sec. 105. SLSDC employees.
- Sec. 106. Conflicts of interest.
- Sec. 107. Acquisition of property by Secretary.
- Sec. 108. Corporate powers.
- Sec. 109. Ownership of assets.
- Sec. 110. Transfer of rights, liabilities, and obligations.
- Sec. 111. Continuation of regulations and agreement.
- Sec. 112. Transfer of unexpended balances of appropriations.
- Sec. 113. Audits and reports.
- Sec. 114. Repeal of Saint Lawrence Seaway Act.
- Sec. 115. Authorization of appropriations.

TITLE II—GREAT LAKES DEVELOPMENT BANK

- Sec. 201. Establishment and status of Bank.
- Sec. 202. Functions of Bank.
- Sec. 203. Operational principles.
- Sec. 204. Board of directors.
- Sec. 205. Managing director.
- Sec. 206. Forms of assistance.
- Sec. 207. Eligible projects.
- Sec. 208. Conditions on assistance.
- Sec. 209. Bank requirements.
- Sec. 210. Bank corporate powers.
- Sec. 211. Bank membership.
- Sec. 212. United States participation.
- Sec. 213. Limitations on United States liability.
- Sec. 214. Federal Reserve banks as depositories.
- Sec. 215. Reports on bank securities.
- Sec. 216. Jurisdiction and venue of civil actions by or against bank.
- Sec. 217. Audits and reports.
- Sec. 218. Authorization of appropriations.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress makes the following find-  
3 ings:

4 (1) The Saint Lawrence Seaway is an impor-  
5 tant transportation route linking the industrial  
6 heartland of the United States with the rest of the  
7 world.

8 (2) More than 20 percent of our Nation's out-  
9 put is produced in the Great Lakes-Saint Lawrence  
10 Seaway basin and about 15 percent of our exports  
11 originates from that region.

12 (3) About 10 percent of the United States pop-  
13 ulation and about 1/4 of Canada's population live in  
14 the Great Lakes basin and the livelihood of many of  
15 these people would be improved by modernization of  
16 the Seaway.

17 (4) The Seaway, as a transportation corridor, is  
18 constrained by its limited physical dimensions, cur-  
19 rently capable of accommodating only about 30 per-  
20 cent of the world's ocean fleet.

21 (5) Costs to users of the Seaway can be reduced  
22 by eliminating duplicative operations by the United  
23 States and Canada.

24 (6) Although the financial markets are efficient  
25 and capable of meeting the financing needs of large  
26 borrowers, small public and private entities often en-

1 counter difficulties in obtaining credit on reasonable  
2 terms to finance their investment projects.

3 (7) Small maritime commerce-related enter-  
4 prises in the Great Lakes and Seaway region, such  
5 as ports, warehouses, and terminals, have potential  
6 investment projects that could benefit from an addi-  
7 tional credit facility that provides innovative invest-  
8 ment financing and with a special focus on the  
9 Great Lakes and the Seaway.

10 (8) High-risk ventures, such as cargo liner serv-  
11 ice and passenger cruise service, are beginning or  
12 under consideration for the Great Lakes. Their fea-  
13 sibility or viability would be improved with credit or  
14 other financing assistance available only outside reg-  
15 ular commercial channels.

16 (b) PURPOSES.—The purposes of this Act are as fol-  
17 lows:

18 (1) To authorize establishment and operation of  
19 a binational Saint Lawrence Seaway Corporation  
20 that coordinates and streamlines operation of the  
21 Seaway for the purposes of reducing operating costs  
22 and costs to users and for making the Seaway more  
23 competitive as a transportation route.

1           (2) To transfer operations and employees of the  
2       Saint Lawrence Seaway Development Corporation to  
3       the binational corporation.

4           (3) To establish a procedure to assist the bina-  
5       tional corporation in achieving long-term financial  
6       self-sufficiency.

7           (4) To establish a legislative procedure for ap-  
8       proving an executive agreement entered into under  
9       section 4 to carry out the purposes of paragraphs  
10      (1), (2), and (3).

11          (5) To authorize establishment and operation of  
12      a binational Great Lakes Development Bank that  
13      provides increased financing flexibility for maritime  
14      commerce-related infrastructure investment on the  
15      Great Lakes and the Seaway and for establishing  
16      freight or passenger liner service between ports on  
17      the Great Lakes and the Seaway and ports in other  
18      countries.

19          (6) To establish a structure of membership for  
20      the Bank, including certain financial responsibilities  
21      of Bank members.

22          (7) To authorize participation by the United  
23      States in the Bank and to specify limitations on  
24      such participation.

1 **SEC. 3. DEFINITIONS.**

2 In this Act, the following definitions apply:

3 (1) BANK.—The term “Bank” means the Great  
4 Lakes Development Bank to be established under  
5 this Act.

6 (2) BANK BOARD.—The term “Bank Board”  
7 means the board of directors of the Bank.

8 (3) CHAIRMAN.—The term “Chairman” means  
9 the Chairman of the Corporate Board.

10 (4) COMPETITIVE SERVICE.—The term “com-  
11 petitive service” has the meaning such term has  
12 under section 2102 of title 5, United States Code.

13 (5) CORPORATE BOARD.—The term “Corporate  
14 Board” means the board of directors of the Corpora-  
15 tion.

16 (6) CORPORATION.—The term “Corporation”  
17 means the Saint Lawrence Seaway Corporation to be  
18 established under this Act.

19 (7) DATE OF AGREEMENT.—The term “date of  
20 agreement” means the date on which the executive  
21 agreement authorized by section 4 of this Act is  
22 signed by the representatives of the United States  
23 and Canada.

24 (8) DATE OF ESTABLISHMENT OF THE BANK.—  
25 The term “date of establishment of the Bank”

1 means the date the last member of the initial Bank  
2 Board is appointed.

3 (9) DATE OF ESTABLISHMENT OF THE COR-  
4 PORATION.—The term “date of establishment”  
5 means the date the last initial member of the Cor-  
6 porate Board is appointed.

7 (10) DATE OF OPERATION.—The term “date of  
8 operation” means the first January 15th following  
9 the date of appointment of the initial Director Gen-  
10 eral.

11 (11) DIRECTOR GENERAL.—The term “Director  
12 General” means the Director General of the Cor-  
13 poration.

14 (12) FIXED ASSETS.—The term “fixed assets”  
15 means buildings, vessel traffic control centers, and  
16 locks and major appurtenant facilities, including any  
17 gatelifters, tugboats, and buoy tenders.

18 (13) GREAT LAKES.—The term “Great Lakes”  
19 means Lake Ontario, Lake Erie, Lake Huron (in-  
20 cluding Lake St. Clair), Lake Michigan, and Lake  
21 Superior and the following connecting channels: the  
22 Detroit River, the St. Clair River, and the St. Marys  
23 River.

1           (14) GREAT LAKES PROVINCES.—The term  
2           “Great Lakes Provinces” means the Canadian Prov-  
3           inces of Ontario and Quebec.

4           (15) GREAT LAKES STATES.—The term “Great  
5           Lakes States” means the States of Illinois, Indiana,  
6           Michigan, Minnesota, New York, Ohio, Pennsyl-  
7           vania, and Wisconsin.

8           (16) MANAGING DIRECTOR.—The term “Man-  
9           aging Director” means the Managing Director of the  
10          Bank.

11          (17) SECRETARY.—The term “Secretary”  
12          means the Secretary of Transportation.

13          (18) SLSDC.—The term “SLSDC” means the  
14          Saint Lawrence Seaway Development Corporation.

15          (19) SLSDC EMPLOYEES.—The term “SLSDC  
16          employees” means all permanent SLSDC personnel  
17          employed on the day before the date of operation.

18          (20) SAINT LAWRENCE SEAWAY.—The term  
19          “Saint Lawrence Seaway” means the deep-draft wa-  
20          terway between the Port of Montreal and Lake Erie  
21          and includes all locks, canals, and connecting and  
22          contiguous waters that are part of the deep-draft  
23          waterway and all other canals and works, wherever  
24          located, the management, administration, and con-  
25          trol of which are under the Saint Lawrence Seaway



1 Development Corporation or the Saint Lawrence  
2 Seaway Authority of Canada on the day before the  
3 date of operation.

4 **SEC. 4. EXECUTIVE AGREEMENT.**

5 (a) IN GENERAL.—The President is authorized to  
6 enter into an executive agreement on behalf of the United  
7 States with Canada—

8 (1) to establish and operate a binational cor-  
9 poration to be known as the “Saint Lawrence Sea-  
10 way Corporation” for the purposes of operating,  
11 maintaining, and improving the assets of the United  
12 States and Canada on the Saint Lawrence Seaway,  
13 facilitating safe navigation on the Seaway, and pro-  
14 moting domestic and international trade involving  
15 the Great Lakes States and Great Lakes Provinces;  
16 and

17 (2) to establish a binational credit facility to be  
18 known as the “Great Lakes Development Bank” for  
19 the purposes of providing loans and other assistance  
20 and technical and management assistance to the  
21 Seaway and public and private entities that are in-  
22 volved in maritime commerce in the Great Lakes  
23 and Seaway region and facilitating maritime com-  
24 merce-related investment on the Seaway and in such  
25 region.

1 The executive agreement shall include, at a minimum,  
2 such terms and conditions as are necessary to ensure com-  
3 pliance with this Act on a continuing basis.

4 (b) GUIDING PRINCIPLES.—In negotiating the execu-  
5 tive agreement under this section, the United States shall  
6 be guided by the following principles:

7 (1) Improvement of operational coordination  
8 among assets of the United States and Canada on  
9 the Seaway.

10 (2) Assurance of navigational safety on, and  
11 operational reliability of, the Seaway.

12 (3) Establishment of clear and mutually advan-  
13 tageous rules governing the combination of Seaway  
14 assets and employees of the United States and Can-  
15 ada.

16 (4) Protection of the rights of current Seaway  
17 employees of the United States and Canada.

18 (5) Enhancement of the competitiveness of the  
19 Seaway as a transportation route for world trade.

20 (6) Development of vessel and cargo traffic  
21 through the Seaway and expansion of world trade  
22 involving the Great Lakes States and Great Lakes  
23 Provinces.

1           (7) Creation of new business and employment  
2           opportunities in, and improvement of living stand-  
3           ards for, such States and Provinces.

4           (8) Facilitation of infrastructure investment in  
5           the Great Lakes and Seaway region.

6           (9) Protection of the sovereign interests of the  
7           United States and Canada.

8           (10) Assurance of equity between the United  
9           States and Canada with respect to their authorities  
10          over, and responsibilities for, establishment and op-  
11          eration of the Corporation.

12          (11) Protection of the aquatic and riparian en-  
13          vironment of the Seaway and the Great Lakes.

14          (12) Assurance of equity between the United  
15          States and Canada in their respective contributions  
16          toward the establishment and operations of the Cor-  
17          poration and the Bank.

18          (13) Assurance of equity between the United  
19          States and Canada in their respective opportunities  
20          of obtaining loans and other assistance from the  
21          Bank.

22          (14) Improvement of the general welfare of the  
23          Great Lakes States and Great Lake Provinces.

24          (c) AGREEMENT NEGOTIATION AND SUBMITTAL TO  
25          PRESIDENT.—The agreement under this section shall be

1 negotiated by the Secretary of State, with the technical  
2 assistance and concurrence of the Secretary, and shall be  
3 submitted to the President jointly by the Secretary of  
4 State and the Secretary, together with the views and rec-  
5 ommendations of the Secretary of State and the Secretary.

6 (d) ANALYSIS BY SECRETARY.—The Secretary shall  
7 analyze the agreement negotiated under this section and  
8 the principles set forth in subsection (b) to determine if  
9 the agreement is consistent with such principles and sub-  
10 stantially complies with the requirements of this Act. Not  
11 later than 30 days after the date of agreement, the Sec-  
12 retary shall submit to the President a report on the results  
13 of such analysis.

14 (e) CERTIFICATION AND APPROVAL BY PRESI-  
15 DENT.—The President shall determine and certify that  
16 the terms of the agreement are consistent with the prin-  
17 ciples set forth in subsection (b) and substantially comply  
18 with the requirements of this Act.

19 (f) CONGRESSIONAL REVIEW PROCEDURE.—

20 (1) SUBMISSION TO CONGRESS.—Before the  
21 President may exchange notes with the Government  
22 of Canada under subsection (g), the President shall  
23 submit to each House of Congress a report contain-  
24 ing—

1 (A) a copy of the agreement negotiated  
2 under this section;

3 (B) the certification of the President under  
4 subsection (e); and

5 (C) the analysis of the Secretary under  
6 subsection (d).

7 (2) LIMITATION ON EFFECTIVE DATE.—The  
8 agreement may only take effect after—

9 (A) the date occurring 60 legislative days  
10 after the date on which Congress receives the  
11 agreement; or

12 (B) in any case in which Congress passes  
13 a joint resolution of disapproval relating to the  
14 agreement under such an expedited procedure  
15 as Congress may provide and the President  
16 signs a veto of such resolution, the earlier  
17 date—

18 (i) on which either House of Congress  
19 votes and fails to override the veto of the  
20 President; or

21 (ii) occurring 30 legislative days after  
22 the date on which Congress received the  
23 veto and objections of the President.

24 (g) CONDITIONS FOR ENTRY INTO FORCE OF  
25 AGREEMENT.—The President shall exchange notes with

1 the Government of Canada providing for the entry into  
 2 force of the agreement with respect to Canada at such  
 3 time before the appointment by the President of any mem-  
 4 ber to the Corporate Board as—

5 (1) the President—

6 (A) determines that Canada has imple-  
 7 mented the statutory changes necessary to  
 8 bring Canada into compliance with its obliga-  
 9 tions under the agreement, and

10 (B) transmits a report to the House of  
 11 Representatives and the Senate setting forth  
 12 the determination under subparagraph (A); and

13 (2) Canada exchanges notes with the United  
 14 States providing for the entry into force of the  
 15 agreement.

## 16 **TITLE I—SAINT LAWRENCE** 17 **SEAWAY CORPORATION**

### 18 **SEC. 101. FUNCTIONS OF CORPORATION.**

19 The Corporation shall be responsible for the follow-  
 20 ing:

21 (1) Operating, maintaining, and improving the  
 22 assets of the United States and Canada on the Saint  
 23 Lawrence Seaway.

24 (2) Ensuring safe navigation in, and reliable  
 25 operation of, the Seaway.

1           (3) Providing a high quality of service to users  
2 of, and visitors to, the Seaway.

3           (4) Promoting domestic and international trade  
4 involving the Great Lakes States and Great Lakes  
5 Provinces.

6           (5) Facilitating agencies with primary respon-  
7 sibility for enforcing marine safety and environ-  
8 mental protection regulations of the United States,  
9 Canada, the Great Lakes States, and the Great  
10 Lakes Provinces in enforcing such regulations and  
11 any additional regulations for the protection of safe-  
12 ty and the environment in the Seaway that are  
13 issued by the Corporation and are consistent such  
14 marine safety and environmental protection regula-  
15 tions.

16           (6) Ensuring the orderly transfer to the Cor-  
17 poration of—

18                 (A) responsibilities for assets of the United  
19 States and Canada on the Seaway; and

20                 (B) employees from the SLSDC and the  
21 Saint Lawrence Seaway Authority of Canada.

22           (7) Developing a long-term plan for operating,  
23 maintaining, and improving Seaway assets and for  
24 financing such operation, maintenance, and improve-  
25 ments on a self-sustaining basis.

1 **SEC. 102. BOARD OF DIRECTORS.**

2 (a) IN GENERAL.—The Corporation shall have a  
3 board of directors which shall be composed of 12 members  
4 as follows:

5 (1) The Secretary or, if the Secretary so des-  
6 ignates, the Deputy Secretary of Transportation or  
7 the Assistant Secretary of Transportation who has  
8 responsibility for international affairs.

9 (2) 5 members appointed by the President, by  
10 and with the advice and consent of the Senate—

11 (A) 1 of whom shall be an official of a  
12 Great Lakes State;

13 (B) 1 of whom shall be an official of a po-  
14 litical subdivision of a Great Lakes State; and

15 (C) 3 of whom may not be an officer or  
16 employee of the United States or a State.

17 (3) 6 members appointed or otherwise des-  
18 ignated by the Government of Canada.

19 (b) CHAIRMAN.—The members of the Corporate  
20 Board shall elect the Chairman from among such mem-  
21 bers. No person may serve as Chairman for a period of  
22 more than 2 years.

23 (c) RULES FOR APPOINTMENTS.—

24 (1) CITIZENSHIP AND BACKGROUND REQUIRE-  
25 MENTS.—Members of the Corporate Board ap-  
26 pointed under subsection (a)(2) shall be citizens of



1 the United States and shall have substantial back-  
2 ground and achievement in maritime commerce or  
3 corporate management and finance or both.

4 (2) CONSULTATION REQUIREMENT.—In making  
5 appointments to the Corporate Board under sub-  
6 section (a)(2)(C), the President shall consult with  
7 representatives from the maritime community of the  
8 Great Lakes States and other persons affected by  
9 operation of the Seaway.

10 (3) DIVERSIFICATION OF APPOINTEES.—In  
11 making appointments to the Corporate Board under  
12 subsection (a)(2)(C), the President shall select per-  
13 sons to serve on the Corporate Board who represent  
14 a diversity of interests of the Great Lakes States.

15 (d) DUTIES.—The Corporate Board shall—

16 (1) establish an organizational structure for the  
17 Corporation;

18 (2) establish management and operational poli-  
19 cies of the Corporation, including policies to ensure  
20 that members of the Corporate Board and officers of  
21 the Corporation make decisions relating to their re-  
22 sponsibilities under this Act on the basis of business  
23 and financial principles and not political consider-  
24 ations;

1           (3) appoint, fix the compensation of, and estab-  
2       lish the authority and duties of, the Director Gen-  
3       eral;

4           (4) establish an employment system for the  
5       Corporation;

6           (5) adopt, in an open process that affords an  
7       opportunity for participation by interested persons  
8       and governmental entities, such rules and regula-  
9       tions as may be necessary or appropriate to conduct  
10      business of the Corporation;

11          (6) ensure that the functions of the Corporation  
12      described in section 101 are carried out;

13          (7) develop and ensure compliance with a code  
14      of ethics for the Corporation and its officers and em-  
15      ployees;

16          (8) prepare and transmit to the President, Con-  
17      gress, and the Government of Canada an annual  
18      business-type budget program that—

19              (A) lays out the Corporation's plan of op-  
20      eration;

21              (B) contains estimates of the financial con-  
22      dition and operations of the Corporation for the  
23      current and following fiscal years and the finan-  
24      cial condition and results of such operations in  
25      the preceding fiscal year;

1 (C) contains statements of the financial  
2 condition, income and expense, and sources and  
3 use of money, an analysis of surplus or deficit,  
4 and additional statements and information to  
5 make known the financial condition and oper-  
6 ations of the Corporation, including estimates  
7 of operations by major activities, administrative  
8 expenses, borrowings, and expenditure needed  
9 to make capital improvements; and

10 (D) provides for emergencies and other  
11 contingencies so that the Corporation may carry  
12 out its responsibilities;

13 (9) prepare and transmit to the President, Con-  
14 gress, and the Government of Canada an annual  
15 management report which includes—

16 (A) a statement of financial position;

17 (B) a statement of operations relating to  
18 the long-term plan prepared under paragraph  
19 (10);

20 (C) a statement of cash flows;

21 (D) a reconciliation to the budget program  
22 of the Corporation, if applicable;

23 (E) a statement on the internal accounting  
24 and administrative control systems being imple-  
25 mented by the Director General;

1 (F) the report resulting from the annual  
2 audit of the financial statements of the Cor-  
3 poration conducted by independent public ac-  
4 countants under section 114(a); and

5 (G) any other comments and information  
6 necessary to inform the President, Congress,  
7 and the Government of Canada about the oper-  
8 ations and financial condition of the Corpora-  
9 tion;

10 (10) prepare and, not later than the last day of  
11 the 5-year period beginning on the date of establish-  
12 ment of the Corporation, transmit to the President,  
13 Congress, and the Government of Canada a long-  
14 term plan for operating and improving the assets on  
15 the Saint Lawrence Seaway and for financing such  
16 operation, maintenance, and improvements on a self-  
17 sustaining basis;

18 (11) prepare and, not later than the last day of  
19 such 5-year period, transmit to the President, Con-  
20 gress, and the Government of Canada a report on all  
21 actions by agencies of the United States Government  
22 and the Government of Canada which affect the safe  
23 and cost-effective operation of vessels through the  
24 Seaway, including recommendations for assuming

1 operation of activities of such agencies by the Cor-  
2 poration; and

3 (12) conduct, or contract with an outside pro-  
4 vider to conduct, a study to determine the feasibility  
5 of various options of improving the locks and other  
6 navigational facilities on the Seaway.

7 (e) TERM OF OFFICE.—

8 (1) IN GENERAL.—Except as provided in para-  
9 graphs (2) and (3), each member appointed to the  
10 Corporate Board by the President or the Govern-  
11 ment of Canada shall serve for a term of 5 years.  
12 No person may serve on the Corporate Board for a  
13 period of more than 10 years.

14 (2) TERMS OF INITIAL APPOINTEES.—As des-  
15 ignated by the President at the time of appointment,  
16 of the members initially appointed under subsection  
17 (a)(2)—

18 (A) 1 shall be appointed for a term of 1  
19 year;

20 (B) 1 shall be appointed for a term of 2  
21 years;

22 (C) 1 shall be appointed for a term of 3  
23 years;

24 (D) 1 shall be appointed for a term of 4  
25 years; and

1 (E) 1 shall be appointed for a term of 5  
2 years.

3 (3) REMOVAL FOR CAUSE.—The President may  
4 remove from office for cause, including failure to at-  
5 tend 3 consecutive meetings of the Corporate Board  
6 scheduled by the Chairman, a person appointed by  
7 the President to serve as a member of the Corporate  
8 Board.

9 (4) VACANCIES.—Any member appointed to fill  
10 a vacancy occurring before the expiration of the  
11 term for which the member's predecessor was ap-  
12 pointed shall be appointed only for the remainder of  
13 that term. A member may serve after the expiration  
14 of that member's term until a successor has taken  
15 office. A vacancy on the Corporate Board shall be  
16 filled in the manner in which the original appoint-  
17 ment was made.

18 (f) COMPENSATION AND EXPENSES.—

19 (1) COMPENSATION.—A member of the Cor-  
20 porate Board appointed under subsection (a)(2)(C)  
21 shall receive compensation at a rate equivalent to 25  
22 percent of the rate of pay in effect for level III of  
23 the Executive Schedule under subchapter II of chap-  
24 ter 53 of title 5, United States Code; except that, if  
25 such member is elected Chairman, such member

1 while serving as Chairman may receive such addi-  
2 tional compensation as the Corporate Board deter-  
3 mines appropriate. The Secretary or the designee of  
4 the Secretary and members of the Corporate Board  
5 appointed under subsections (a)(2)(A) and (a)(2)(B)  
6 shall serve without pay.

7 (2) TRAVEL AND SUBSISTENCE EXPENSES.—

8 Each member of the Corporate Board appointed by  
9 the President and the Secretary or the designee of  
10 the Secretary shall receive reimbursement for actual  
11 travel and subsistence expenses incurred in the per-  
12 formance of duties vested in the Corporate Board.

13 (g) MEETINGS.—

14 (1) FREQUENCY.—The Corporate Board shall

15 meet at the call of the Chairman or at the request  
16 of at least 5 members of the Corporate Board, but  
17 not less than once per calendar year.

18 (2) QUORUM.—A quorum for any meeting of

19 the Corporate Board shall be at least 7 members, at  
20 least 3 of whom shall be members referred to in sub-  
21 sections (a)(1) and (a)(2).

22 (3) VOTING.—No action of the Corporate

23 Board shall be effective unless taken at a meeting at  
24 which a quorum of members is present and a major-  
25 ity of those members vote in favor of the action and

1 at which a majority of the members referred to in  
2 subsections (a)(1) and (a)(2) vote in favor of the ac-  
3 tion.

4 (4) TRANSMITTAL OF MINUTES TO PRESIDENT  
5 AND GOVERNMENT OF CANADA.—The minutes of  
6 each meeting of the Corporate Board shall be trans-  
7 mitted to the President and the Government of Can-  
8 ada not later than 3 days (except Saturdays, Sun-  
9 days, and observed official holidays) after the date  
10 of such meeting.

11 (h) VETO BY PRESIDENT.—Actions taken at a meet-  
12 ing of the Corporate Board shall have no effect if, during  
13 a period of 10 days (except Saturdays, Sundays, and ob-  
14 served official holidays) after the minutes are transmitted  
15 under subsection (g)(4), the President disapproves the  
16 meeting's minutes or any part thereof.

17 **SEC. 103. DIRECTOR GENERAL.**

18 (a) IN GENERAL.—The Corporation shall have a Di-  
19 rector General who shall serve as chief executive officer  
20 of the Corporation. The Director General shall be ap-  
21 pointed by the Corporate Board for a term of 5 years.

22 (b) PERFORMANCE-BASED CONTRACT.—A person  
23 appointed as Director General shall enter into a perform-  
24 ance-based contract with the Corporate Board. The con-  
25 tract shall provide for assessment of performance in terms



1 of each of the following: Safety, reliability, environmental  
2 protection, trade and traffic development, and manage-  
3 ment and financial accountability. The specific standards  
4 for such assessments shall be established by the Corporate  
5 Board. The contract shall incorporate measurable goals as  
6 agreed to by the Director General and the Corporate  
7 Board.

8 (c) ANNUAL PERFORMANCE REVIEW.—The Cor-  
9 porate Board shall conduct an annual review of the per-  
10 formance of the Director General. On the basis of the re-  
11 sults of the review, the Corporate Board may take such  
12 action as the Corporate Board determines appropriate to  
13 award additional compensation as an incentive or take cor-  
14 rective action in accordance with the terms of the contract  
15 entered into under subsection (b) with the Director Gen-  
16 eral.

17 **SEC. 104. EMPLOYMENT SYSTEM AND PRACTICES.**

18 (a) EMPLOYMENT SYSTEM.—The Corporate Board  
19 shall establish an employment system for the Corporation.  
20 The Corporation employment system shall—

21 (1) be established in accordance with the execu-  
22 tive agreement entered into under section 4 and the  
23 provisions of this Act;

24 (2) provide for the consideration of the merit of  
25 each employee of the Corporation or candidate for

1 employment by the Corporation and the qualifica-  
2 tions and fitness of the employee to hold the position  
3 concerned;

4 (3) prohibit discrimination against any person  
5 because of race, color, national origin, nationality,  
6 religion, sex, age, or disability;

7 (4) be designed to maximize the productivity of  
8 officers and employees of the Corporation; and

9 (5) in the case of SLSDC employees, provide  
10 for the appropriate transfer of those employees be-  
11 tween positions in the competitive service and posi-  
12 tions under the employment system of the Corpora-  
13 tion.

14 (b) APPOINTMENT, COMPENSATION, AND DUTIES.—

15 In accordance with the policies established by the Cor-  
16 porate Board under section 102(d) and subject to sections  
17 105(a)(1) and 105(a)(3), the Director General may ap-  
18 point, fix the compensation of, and define the authority  
19 and duties of, officers, employees, and agents of the Cor-  
20 poration necessary for the management, operation, main-  
21 tenance, and improvement of the Seaway and related fa-  
22 cilities, equipment, and appurtenances.

23 (c) BASIC PAY.—Subject to sections 105(a)(1) and  
24 105(a)(3), the Director General shall establish, and from

1 time to time may revise, rates of basic pay for positions  
2 and employees of the Corporation.

3 (d) BENEFITS.—Subject to section 105(a)(6), the  
4 Corporation shall offer its officers and employees a pack-  
5 age of benefits which includes, at a minimum, sick, an-  
6 nual, and holiday leaves, health benefits, life insurance,  
7 retirement benefits, and a voluntary retirement savings  
8 program. Any SLSDC employee who transfers to the Cor-  
9 poration shall continue to receive a package of benefits,  
10 determined on the basis of the employee's length of serv-  
11 ice, rate of basic pay, and other relevant factors, not less  
12 than that to which the employee is entitled immediately  
13 prior to the transfer.

14 (e) PERFORMANCE REVIEW.—The Director General  
15 shall establish the standards of, and procedures for, the  
16 review of job performance of an employee of the Corpora-  
17 tion.

18 (f) JOB LOCATION ASSIGNMENT.—

19 (1) IN GENERAL.—The Director General shall  
20 assign officers and employees of the Corporation to  
21 facilities and installations in a manner that pro-  
22 motes the maximum productivity of the employees  
23 and operational efficiency of the Corporation.

24 (2) IMMIGRATION AND LABOR DOCUMENTA-  
25 TION.—The Corporation shall work with the Min-

1        istry of Citizenship and Immigration of the Govern-  
2        ment of Canada to secure, as expeditiously as pos-  
3        sible, the necessary permits and documentation to  
4        allow employees of the Corporation who are citizens  
5        of the United States or aliens lawfully admitted for  
6        permanent residence in the United States to work at  
7        facilities in Canada.

8        **SEC. 105. SLSDC EMPLOYEES.**

9        (a) TRANSFER TO CORPORATION.—

10        (1) LABOR AGREEMENTS.—

11                (A) ADOPTION.—The Corporation shall  
12        adopt all labor agreements involving SLSDC  
13        employees that are in effect on the day before  
14        the date of operation. Such agreements shall re-  
15        main in effect for the 3-year period beginning  
16        on such date unless the agreement provides for  
17        a shorter duration or the parties agree to the  
18        contrary before the expiration of such 3-year  
19        period. Such agreements shall be renegotiated  
20        during the 3-year period unless the parties  
21        agree otherwise.

22                (B) CONTINUATION.—The arrangements  
23        made pursuant to this section shall assure that  
24        (i) transferred SLSDC employees retain all col-  
25        lective bargaining rights that they have on the

1 day before the date of operation, and (ii) the  
2 exclusive representative for such employees is  
3 recognized by the Corporation. In this para-  
4 graph, the term “exclusive representative” has  
5 the meaning such term has under section 7104  
6 of title 5, United States Code.

7 (C) ADDITIONAL RIGHTS.—Notwithstand-  
8 ing any other provision of law, any SLSDC em-  
9 ployee who transfers to the Corporation shall  
10 have the right to negotiate through the exclu-  
11 sive representative for salary and benefits in ad-  
12 dition to those provided for under section 104  
13 if, on the day before the date of operation, such  
14 employee is—

15 (i) covered by a labor agreement; and

16 (ii) employed by the United States  
17 and paid under the General Schedule  
18 under section 5332 of title 5, United  
19 States Code.

20 (2) RIGHTS OF TERMINATED SLSDC EMPLOY-  
21 EES.—Any transferred SLSDC employee whose em-  
22 ployment with the Corporation is terminated during  
23 the 3-year period beginning on the date of operation  
24 shall be entitled to all rights and benefits to be pro-  
25 vided by the Corporation that are similar to those

1       such employee would have had under Federal law if  
2       termination had occurred immediately before such  
3       date.

4           (3) BASIC PAY.—Any SLSDC employee who  
5       transfers to the Corporation shall continue to receive  
6       a rate of basic pay not less than that to which the  
7       employee was entitled immediately prior to the  
8       transfer unless the Corporation places the employee  
9       in a position within the Corporation which is of a  
10      lower grade. Subject to paragraph (1), during the 3-  
11     year period beginning on the date of operation, the  
12     basic pay of such employees shall be adjusted for  
13     changes in the Consumer Price Index of All Urban  
14     Consumers published by the Department of Labor.  
15     After such period, the basic pay of such employees  
16     shall be consistent with the pay structure established  
17     by the Corporation through collective bargaining.

18           (4) ANNUAL, SICK, AND HOLIDAY LEAVES.—  
19     Any SLSDC employee who transfers to the Corpora-  
20     tion shall not be entitled to lump-sum payment for  
21     unused annual leave under section 5551 of title 5,  
22     United States Code, but shall be credited by the  
23     Corporation with the unused annual leave balance on  
24     the date of operation, along with any unused sick  
25     leave balance on such date. During the 3-year period

1       beginning on such date, such employees shall be en-  
2       titled to annual leave accruing at the rate specified  
3       in section 6303 of such title; limitation on annual  
4       leave accumulation specified in section 6304 of such  
5       title; sick leave accruing at the rate (and limitation  
6       on accumulation of such leave) specified in section  
7       6307 of such title; and observed official holidays  
8       specified in section 6103 of such title. After such pe-  
9       riod, annual, sick, and holiday leaves and voluntary  
10      retirement savings plan benefits shall be specified in  
11      the benefits packages established under section  
12      104(d).

13           (5) BENEFITS.—Any SLSDC employee who  
14      transfers to the Corporation and who, on the day be-  
15      fore the date of operation, is eligible for health bene-  
16      fits provided under section 8905 of title 5, United  
17      States Code, or life insurance provided under section  
18      8702 of such title may, so long as continually em-  
19      ployed by the Corporation without a break in serv-  
20      ice, continue to be eligible to participate in such  
21      health benefits or insurance program. Employment  
22      by the Corporation without a break in continuity of  
23      service shall be considered employment by the  
24      United States for purposes of such sections; except  
25      that if the employee elects, during the 3-year period

1 beginning on the date of operation, to participate in  
2 the health benefits or life insurance program estab-  
3 lished by the Corporation under section 104(d), the  
4 employee may participate in such program in lieu of  
5 continuing to be treated as an employee of the  
6 United States for purposes of section 8905 or 8702  
7 of such title, as appropriate. If the employee contin-  
8 ues to be so treated, the Corporation shall be the  
9 employing agency for purposes of section 8905 or  
10 8702 of such title, as appropriate, and shall contrib-  
11 ute to the Employees Health Benefits Fund pursu-  
12 ant to section 8909 of such title or the Employees'  
13 Life Insurance Fund pursuant to section 8714 of  
14 such title, as appropriate, such sums as are required  
15 by such sections.

16 (6) RETIREMENT.—Any SLSDC employee who  
17 transfers to the Corporation and who, on the day be-  
18 fore the date of operation, is subject to subchapter  
19 III of chapter 83 of title 5, United States Code, or  
20 chapter 84 of such title may, so long as continually  
21 employed by the Corporation without a break in  
22 service, continue to be subject to such subchapter or  
23 chapter, as the case may be. Employment by the  
24 Corporation without a break in continuity of service  
25 shall be considered to be employment by the United



1 States for purposes of such subchapter and chapter;  
2 except that if the employee elects, during the 3-year  
3 period beginning on the date of operation, to partici-  
4 pate in the retirement program established by the  
5 Corporation under section 104(d), the employee may  
6 participate in such program in lieu of continuing to  
7 be treated as an employee of the United States for  
8 purposes of such subchapter or chapter. If the em-  
9 ployee continues to be so treated, the Corporation  
10 shall be the employing agency for purposes of such  
11 subchapter and chapter and shall contribute to the  
12 Civil Service Retirement and Disability Fund or the  
13 Thrift Savings Fund, as appropriate, such sums as  
14 are required by such subchapter and chapter.

15 (7) ACCESS TO RECORDS.—The Corporation  
16 shall allow representatives of the Secretary adequate  
17 access to SLSDC employees who transfer to the  
18 Corporation and their employment records when  
19 needed for the performance of functions related to  
20 the period before the date of operation. The Sec-  
21 retary shall provide the Corporation access to em-  
22 ployment records of transferring SLSDC employees  
23 for appropriate purposes.

24 (b) SEPARATED SLSDC EMPLOYEES.—Any SLSDC  
25 employee who does not transfer to the Corporation and

1 who does not otherwise remain a United States employee  
2 shall be entitled to all rights and benefits available under  
3 Federal law for separated United States employees, except  
4 that severance pay shall not be payable to any SLSDC  
5 employee who does not accept an offer of employment  
6 from the Corporation of work substantially similar to that  
7 performed for the United States.

8 (c) REINSTATEMENT.—Notwithstanding the service  
9 requirement for career tenure established by section  
10 315.401(b) of title 5, Code of Federal Regulations, there  
11 shall be no time limit on the reinstatement eligibility of—

12 (1) any separated SLSDC employee whose em-  
13 ployment is terminated as a result of the termi-  
14 nation of the SLSDC and who does not transfer to  
15 the Corporation; and

16 (2) any SLSDC employee who transfers to the  
17 Corporation.

18 **SEC. 106. CONFLICTS OF INTEREST.**

19 (a) EXPRESS CONDITION.—In every contract or  
20 agreement to be made, entered into, or accepted by or on  
21 behalf of the Corporation, there shall be inserted an ex-  
22 press condition that no member of the Corporate Board  
23 and no officer or employee of the Corporation shall derive  
24 any personal financial or other benefit therefrom.

1 (b) PROHIBITION.—No part of the income or assets  
2 of the Corporation shall inure to the benefit of any mem-  
3 ber of the Corporate Board or any officer or employee of  
4 the Corporation, except as reasonable compensation for  
5 services or reimbursement for expenses.

6 **SEC. 107. ACQUISITION OF PROPERTY BY SECRETARY.**

7 Upon request of the Corporation, the Secretary—

8 (1) may acquire, on behalf of the Corporation,  
9 by purchase, lease, condemnation, or donation such  
10 real and personal property and any interest therein  
11 if the Secretary considers such acquisition necessary  
12 for the Corporation to conduct its business; and

13 (2) shall transfer such property or interest to  
14 the Corporation if the Corporation pays the costs of  
15 acquiring such property or interest, including any  
16 reasonable transaction cost associated with such ac-  
17 quisition.

18 **SEC. 108. CORPORATE POWERS.**

19 (a) IN GENERAL.—For the purpose of carrying out  
20 its functions under this Act, the Corporation shall have  
21 the following powers:

22 (1) To have succession in its corporate name.

23 (2) To adopt and use a corporate seal, which  
24 shall be judicially noticed.

1           (3) To sue and be sued in its corporate name  
2           in the United States to the same extent as the  
3           United States Government and in Canada to the  
4           same extent as the Government of Canada.

5           (4) To indemnify members of the Corporate  
6           Board and officers, employees, and agents of the  
7           Corporation for liabilities and expenses incurred  
8           within the scope of their employment by the Cor-  
9           poration.

10          (5) To adopt, amend, and repeal bylaws, rules,  
11          and regulations which shall—

12                 (A) govern the manner in which its busi-  
13                 ness will be conducted and the powers vested in  
14                 it will be exercised; and

15                 (B) be made after notice and opportunity  
16                 for participation by interested persons and gov-  
17                 ernmental entities.

18          (6) To make and carry out such contracts or  
19          agreements as are necessary or advisable in the con-  
20          duct of its business.

21          (7) To issue bonds from time to time in its dis-  
22          cretion for public purposes, including the purposes  
23          of paying all or any part of the cost of Saint Law-  
24          rence Seaway improvements, construction, and reha-  
25          bilitation, and the acquisition of real and personal

1 property, including operating equipment for the Sea-  
2 way. Such bonds may not constitute a debt of the  
3 United States, Canada, or any of the Great Lakes  
4 States or Great Lakes Provinces. The payment of  
5 principal of, and interest on, such bonds may not  
6 be guaranteed by the United States, Canada, or any  
7 of the Great Lakes States or Great Lakes Provinces.  
8 Such bonds may be secured by the revenues of the  
9 Corporation generally or exclusively from the income  
10 and revenues of designated projects whether or not  
11 they are financed in whole or part from the proceeds  
12 of such bonds.

13 (8) To acquire, by purchase, lease, or donation,  
14 such real and personal property and any interest  
15 therein, and to sell, lease, or otherwise dispose of  
16 such real and personal property, as the Corporate  
17 Board considers necessary for the conduct of its  
18 business.

19 (9) To use, when the Corporate Board deter-  
20 mines that it is practicable, efficient, and cost-effec-  
21 tive to do so, with the consent of the United States,  
22 Canada, and the agency or government concerned,  
23 and on a reimbursable basis, services, records, facili-  
24 ties, or personnel of any Federal, State, Provincial,

1 or local government agency or instrumentality to  
2 perform functions on behalf of the Corporation.

3 (10) To determine the character of, and the ne-  
4 cessity for, its obligations and expenditures, and the  
5 manner in which they shall be incurred, allowed, and  
6 paid to carry out the objectives of this Act and the  
7 agreement entered into under section 4.

8 (11) To retain and use all revenues from tolls  
9 and fees for purposes of financing operation and  
10 maintenance of, and infrastructure improvements to,  
11 the Seaway.

12 (12) To provide services and facilities necessary  
13 for the operation and maintenance of the Seaway,  
14 including providing, at reasonable prices, services to  
15 vessels using the Seaway and to visitors to the Sea-  
16 way and to retain all revenues derived from such  
17 services and facilities.

18 (13) To provide, through contract or self-insur-  
19 ance, for liability insurance and insurance against  
20 loss incurred in connection with property, assets,  
21 and operations of the Corporation.

22 (14) To invest funds not needed in its oper-  
23 ations in such obligations as it shall determine to be  
24 prudent and appropriate.

1           (15) To invest funds held by it for pension or  
2       similar purposes in any appropriate marketable se-  
3       curities.

4           (16) To enter into interagency agreements with  
5       agencies of the United States, Canada, the Great  
6       Lakes States, and the Great Lakes Provinces for the  
7       purposes of coordinating joint operations in the Sea-  
8       way, facilitating movement of vessels through the  
9       Seaway, and facilitating enforcement of safety and  
10      environmental regulations issued by such agencies.

11          (17) To accept such amounts as may be trans-  
12      ferred to the Corporation under section 9505(c)(1)  
13      of the Internal Revenue Code of 1986 (relating to  
14      expenditures from the Harbor Maintenance Trust  
15      Fund), except that such amounts shall be available  
16      only for the purpose of operating and maintaining  
17      those works which the Corporation is obligated to  
18      operate and maintain under section 101.

19      (b) AVAILABILITY OF AMOUNTS.—Amounts credited  
20      under subsection (a)(17) shall be available to pay any obli-  
21      gation or expense of the Corporation under this Act, ex-  
22      cept as specifically provided in subsection (a).

23      (c) EXTENSION OF TRUST FUND PURPOSES.—The  
24      purposes for which amounts may be paid from the Harbor

1 Maintenance Trust Fund shall include the purpose re-  
2 ferred to in subsection (a)(17).

3 **SEC. 109. OWNERSHIP OF ASSETS.**

4 The executive agreement entered into under section  
5 4 shall include, at a minimum, the following terms and  
6 conditions concerning the ownership of assets of the  
7 United States and Canada on the Saint Lawrence Seaway  
8 on and after the date of operation:

9 (1) Title to any fixed asset shall remain with  
10 the Government that holds title to the asset on the  
11 day before such date, unless a transfer to the Cor-  
12 poration is specifically authorized by law.

13 (2) Title to any other asset held by the Govern-  
14 ment on the day before such date shall be trans-  
15 ferred to the Corporation on such date.

16 (3) Title to any asset acquired, or any improve-  
17 ment made to any fixed asset described in paragraph  
18 (1) that is financed from sources other than the  
19 United States or Canada, after such date shall be  
20 vested in the Corporation.

21 **SEC. 110. TRANSFER OF RIGHTS, LIABILITIES, AND OBLIGA-**  
22 **TIONS.**

23 (a) IN GENERAL.—Except as specified in subsection  
24 (b), the Corporation shall assume all rights, liabilities, and  
25 obligations (tangible and incorporeal, present and execu-



1 tory) of the SLSDC on the date of operation, including  
2 leases, permits, licenses, contracts, agreements, claims,  
3 tariffs, accounts receivable, accounts payable, and litiga-  
4 tion relating to such rights and obligations, regardless  
5 whether judgment has been entered, damages awarded, or  
6 appeal taken.

7 (b) EXCEPTIONS.—The procedure for disputes reso-  
8 lution contained in any contract entered into on behalf of  
9 the United States before the date of operation shall con-  
10 tinue to govern the performance of the contract unless  
11 otherwise agreed to by the parties to the contract. Claims  
12 for monetary damages founded in tort, by or against the  
13 United States as the owner and operator of the Saint Law-  
14 rence Seaway, arising before the date of operation shall  
15 be adjudicated as if the agreement had not been entered  
16 into.

17 (c) PAYMENTS INTO EMPLOYEES' COMPENSATION  
18 FUND.—The Corporation shall remain responsible for re-  
19 imbursing the Employees' Compensation Fund, pursuant  
20 to section 8147 of title 5, United States Code, for com-  
21 pensation paid or payable after the date of operation in  
22 accordance with chapter 81 of such title with regard to  
23 any injury, disability, or death due to events arising before  
24 such date, whether or not a claim has been filed or is final  
25 on such date.

1 (d) RETIREMENT OBLIGATIONS.—

2 (1) DISCONTINUED SERVICE.—Not later than 1  
3 year after the date of operation, the Corporation  
4 shall pay to the Treasury of the United States, to  
5 be deposited to the credit of the Civil Service Retirement  
6 and Disability Fund, an amount determined by  
7 the Office of Personnel Management to represent  
8 the actual added costs incurred by the Fund due to  
9 discontinued service retirement under section  
10 8336(d)(1) of title 5, United States Code, of SLSDC  
11 employees who elect not to transfer to the Corpora-  
12 tion.

13 (2) UNFUNDED LIABILITY.—

14 (A) PAYMENT TO TREASURY.—Not later  
15 than 1 year after the date of operation, the  
16 Corporation shall pay to the Treasury of the  
17 United States, to be deposited to the credit of  
18 the Civil Service Retirement and Disability  
19 Fund, an amount determined by the Office of  
20 Personnel Management to represent the present  
21 value of the difference between—

22 (i) the future cost of benefits payable  
23 from the Fund and due the employees cov-  
24 ered by section 105(a)(6) that are attrib-

1                   utable to the period of employment follow-  
2                   ing the date of operation; and

3                   (ii) the contributions made by the em-  
4                   ployees and the Corporation under section  
5                   105(a)(6).

6                   (B) CONSIDERATION OF INTEREST IN DE-  
7                   TERMINING AMOUNT DUE.—In determining the  
8                   amount due under subparagraph (A), the Office  
9                   of Personnel Management shall take into con-  
10                  sideration the actual interest such amount can  
11                  be expected to earn when invested in the Treas-  
12                  ury of the United States.

13 **SEC. 111. CONTINUATION OF REGULATIONS AND AGREE-**  
14 **MENT.**

15           (a) REGULATIONS.—All regulations of the SLSDC  
16 shall become regulations of the Corporation on the date  
17 of operation and shall remain in effect until modified or  
18 revoked by the Corporate Board in accordance with proce-  
19 dures of the Corporate Board.

20           (b) AGREEMENT.—All rights and responsibilities of  
21 the SLSDC under the agreement (including Addenda 1  
22 and 2) entered into by the United States Coast Guard and  
23 the SLSDC on May 12, 1992, pursuant to the Ports and  
24 Waterways Safety Act of 1972 (33 U.S.C. 1221 et seq.),  
25 the Non-Indigenous Aquatic Nuisance Prevention and

1 Control Act of 1990 (16 U.S.C. 4701 et seq.), and the  
2 Oil Pollution Act of 1990 (33 U.S.C. 2701 et seq.), shall  
3 become the rights and responsibilities of the Corporation.

4 **SEC. 112. TRANSFER OF UNEXPENDED BALANCES OF AP-**  
5 **PROPRIATIONS.**

6 On the date of operation, all unexpended balances of  
7 appropriations, authorizations, allocations, and other  
8 funds employed, held, used, arising from, available to, or  
9 to be made available in connection with any of the func-  
10 tions of the SLSDC are transferred to the Corporation,  
11 except that no such unexpended balances transferred shall  
12 be used for purposes other than those for which the appro-  
13 priation was originally made.

14 **SEC. 113. AUDITS AND REPORTS.**

15 (a) ACCOUNTING AND AUDIT.—The books of account  
16 of the Corporation shall be maintained in accordance with  
17 generally accepted accounting principles and shall be sub-  
18 ject to an annual audit by independent public accountants  
19 of internationally recognized standing.

20 (b) REPORTS.—The Director General shall submit to  
21 the President and the Government of Canada, on or before  
22 the 90th day following the last day of each fiscal year,  
23 a complete and detailed report with respect to the preced-  
24 ing fiscal year, setting forth—

1           (1) a summary of the Corporation's operations  
2           for such preceding fiscal year; and

3           (2) the Corporation's financial statements and  
4           the opinion with respect thereto prepared by the  
5           independent public accountants reviewing such state-  
6           ments and a copy of any report made on an audit  
7           conducted under subsection (a).

8           (c) BOARD OF REVIEW.—

9           (1) ESTABLISHMENT.—The Corporation shall  
10          have a board of review which shall be composed of  
11          6 members. Three members of the board of review  
12          shall be appointed by the President from a list of  
13          candidates submitted to the President by the Comp-  
14          troller General of the United States and 3 members  
15          shall be appointed by the Government of Canada.

16          (2) ANNUAL AUDIT.—The board of review shall  
17          review the annual audit conducted under subsection  
18          (a) and shall transmit to the President, Congress,  
19          and the Government of Canada a report of its find-  
20          ings with such recommendations as the board of re-  
21          view considers appropriate.

22   **SEC. 114. REPEAL OF SAINT LAWRENCE SEAWAY ACT.**

23          Effective on the date of operation, sections 1 through  
24   13 of the Act of May 13, 1954, commonly referred to as

1 the Saint Lawrence Seaway Act (33 U.S.C. 981–990) are  
2 repealed.

3 **SEC. 115. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) TRANSITIONAL.—There is authorized to be appro-  
5 priated \$200,000 to the Secretary for transfer to the Cor-  
6 poration for the United States share of the cost of estab-  
7 lishment of the Corporation before the date of operation.  
8 Such funds shall remain available until expended.

9 (b) FIRST 10 FISCAL YEARS.—There is authorized  
10 to be appropriated to the Secretary for transfer to the  
11 Corporation to carry out its functions a sum that is the  
12 equitable contribution of the United States toward estab-  
13 lishment and operation of the Corporation for each of the  
14 first 10 fiscal years beginning after the date of the first  
15 meeting of the Corporate Board under this Act. Such  
16 funds shall remain available until expended.

17 **TITLE II—GREAT LAKES**  
18 **DEVELOPMENT BANK**

19 **SEC. 201. ESTABLISHMENT AND STATUS OF BANK.**

20 (a) ESTABLISHMENT.—Pursuant to the executive  
21 agreements entered into under section 4, the President  
22 shall facilitate the establishment of the Great Lakes De-  
23 velopment Bank.

24 (b) CHARTER.—Effective on the date of establish-  
25 ment of the Bank, Congress of the United States charters

1 the Bank. Congress reserves the right to revise, amend,  
2 or modify the charter.

3 (c) STATUS.—The Bank shall not be an agency or  
4 instrumentality of the United States.

5 **SEC. 202. FUNCTIONS OF BANK.**

6 The Bank shall be responsible for providing, on the  
7 basis of business and financial principles and taking into  
8 consideration equity between Canada and the United  
9 States, loans and other assistance and technical and man-  
10 agement assistance in accordance with section 206 to pub-  
11 lic and private entities that are involved in maritime trans-  
12 portation in the Great Lakes States and Great Lakes  
13 Provinces and shall give priority, in providing such loans  
14 and assistance, to the Corporation for making infrastruc-  
15 ture improvements to the Saint Lawrence Seaway. Such  
16 assistance may be for 1 or more of the following purposes:

17 (1) Providing increased financing flexibility for  
18 maritime commerce-related infrastructure invest-  
19 ment on the Great Lakes and the Seaway.

20 (2) Increasing the number of financially feasible  
21 projects that are eligible for assistance under section  
22 206.

23 (3) Expediting the commencement and comple-  
24 tion of eligible projects.

1           (4) Establishing service by persons holding  
2 themselves out to the general public to provide  
3 transportation by water of passengers or property  
4 between ports in the Great Lakes States or Great  
5 Lakes Provinces and ports in other countries.

6           (5) Increasing maritime commerce-related in-  
7 frastructure investment by the Great Lakes States,  
8 Great Lakes Provinces, and political subdivisions of  
9 such States or Provinces.

10          (6) Any other purpose that would result in—

11               (A) modernization of maritime facilities on  
12 the Great Lakes and the Seaway;

13               (B) improvement of the competitiveness of  
14 the Great Lakes-Saint Lawrence Seaway sys-  
15 tem as a transportation route for world trade;  
16 and

17               (C) increasing, or increasing diversification  
18 of, vessel and cargo traffic through the Seaway  
19 and to and from the Great Lakes.

20 **SEC. 203. OPERATIONAL PRINCIPLES.**

21          The Bank shall conduct its operations in accordance  
22 with the following principles:

23               (1) The Bank may not provide any financial as-  
24 sistance for which in the opinion of the Bank Board



1 sufficient capital could be obtained on reasonable  
2 terms from private markets.

3 (2) The Bank may not impose conditions that  
4 the proceeds of any assistance it provides will be  
5 spent within the jurisdictional boundaries of a par-  
6 ticular country, State, province, or locality.

7 (3) The Bank may not assume the management  
8 responsibility for any project for which it provides  
9 assistance, except in the process of liquidating prop-  
10 erties acquired as collateral for loans and other as-  
11 sistance.

12 (4) The Bank may provide assistance only on  
13 terms and conditions that the Bank Board considers  
14 appropriate, taking into account the requirements of  
15 the project, the risks being assumed by the Bank,  
16 and the terms and conditions normally obtained by  
17 private persons or organizations for providing simi-  
18 lar assistance.

19 (5) For the purpose of obtaining additional  
20 funds to provide financial assistance under this title,  
21 the Bank may sell assets it acquires in the course  
22 of providing assistance under this title whenever the  
23 Bank determines it can do so on appropriate and  
24 satisfactory terms.

1           (6) The Bank shall diversify its investment  
2       portfolio.

3   **SEC. 204. BOARD OF DIRECTORS.**

4       (a) IN GENERAL.—The Bank shall be governed by  
5   a board of directors. Except as provided in subsection (b)  
6   with respect to the initial Bank Board, members of the  
7   Bank Board shall be elected by members of the Bank in  
8   accordance with the bylaws of the Bank.

9       (b) INITIAL BOARD.—

10           (1) SIZE AND MEMBERSHIP.—The initial Bank  
11   Board shall be composed of 16 members as follows:

12               (A) 1 member appointed by each of the  
13       Governors of the Great Lakes States; and

14               (B) 8 members appointed or otherwise des-  
15       ignated by the Government of Canada.

16           (2) SPECIAL DUTIES.—In addition to the duties  
17   specified in subsection (c), the initial Bank Board is  
18   responsible for—

19               (A) incorporating the Bank in the United  
20       States and Canada;

21               (B) establishing an organizational struc-  
22       ture for the Bank;

23               (C) establishing management and oper-  
24       ational policies of the Bank;

1 (D) identifying and actively recruiting po-  
2 tential members to join the Bank; and

3 (E) preparing for and carrying out the or-  
4 derly transition of the initial Bank Board to the  
5 Bank Board as provided in paragraph (4).

6 (3) PAY.—Members of the initial Bank Board  
7 shall serve without pay.

8 (4) TRANSITION TO BANK BOARD.—The term  
9 of all members of the initial Bank Board shall termi-  
10 nate on the day that the results of the first election  
11 of members of the Bank Board are certified.

12 (5) CONDITIONS FOR TRANSITION.—Transition  
13 from the initial Bank Board to the Bank Board  
14 shall occur when, in the opinion of the President and  
15 the Government of Canada, a sufficient number of  
16 members have joined the Bank and such members  
17 have contributed an adequate amount of capital to  
18 the Bank to make the Bank a financially viable or-  
19 ganization. Such transition may only occur after  
20 there are 10 or more Bank members and the aggre-  
21 gate of their subscription to the Bank's capital stock  
22 is \$80,000,000 or more.

23 (c) DUTIES.—The Bank Board shall—

1           (1) evaluate and, if necessary, modify the orga-  
2           nizational structure of the Bank established by the  
3           initial Bank Board;

4           (2) evaluate and, if appropriate, revise the man-  
5           agement and operational policies of the Bank;

6           (3) adopt, in an open process that affords an  
7           opportunity for participation by interested persons  
8           and governmental entities, such bylaws, rules, and  
9           regulations as may be necessary or appropriate to  
10          conduct business of the Bank;

11          (4) ensure that the functions of the Bank de-  
12          scribed in section 202 are carried out;

13          (5) develop and ensure compliance with a code  
14          of ethics for the Bank and its officers and employ-  
15          ees;

16          (6) establish procedures for, and conditions of,  
17          admitting members to the Bank;

18          (7) ensure that Bank members will fulfill their  
19          obligations when the Bank Board makes a call for  
20          capital to meet the Bank's obligations to its credi-  
21          tors;

22          (8) approve calls on members' callable capital  
23          for the purpose of meeting the Bank's obligations to  
24          its creditors;

1           (9) declare and pay dividends when the Bank  
2 Board determines that it is advisable;

3           (10) approve proposals for loans and other as-  
4 sistance;

5           (11) appoint and fix the compensation of the  
6 Managing Director;

7           (12) prepare and transmit to the President,  
8 Congress, the Government of Canada, and Bank  
9 members an annual business-type budget program  
10 that—

11                 (A) lays out the Bank's plan of operation;

12                 (B) contains estimates of the financial con-  
13 dition and operations of the Bank for the cur-  
14 rent and following fiscal years and the financial  
15 condition and results of such operations in the  
16 preceding fiscal year;

17                 (C) contains statements of the financial  
18 condition, income and expense, and sources and  
19 use of money, an analysis of surplus or deficit,  
20 and additional statements and information to  
21 make known the financial condition and oper-  
22 ations of the Bank, including estimates of oper-  
23 ations by major activities, administrative ex-  
24 penses, loans, borrowings, and capital reserves  
25 needed to cover loan and lease losses; and

1           (D) provides for emergencies and other  
2 contingencies so that the Bank may carry out  
3 its responsibilities; and

4           (13) prepare and transmit to the President,  
5 Congress, the Government of Canada, and Bank  
6 members an annual management report which in-  
7 cludes—

8           (A) a statement of financial position;

9           (B) a statement of operations;

10          (C) a statement of cash flows;

11          (D) a reconciliation to the budget program  
12 of the Bank, if applicable;

13          (E) a statement on the internal accounting  
14 and administrative control systems being imple-  
15 mented by the Managing Director;

16          (F) the report resulting from the annual  
17 audit of the financial statements of the Bank  
18 conducted by independent public accountants  
19 under section 217; and

20          (G) any other comments and information  
21 necessary to inform the President, Congress,  
22 the Government of Canada, and Bank members  
23 about the operations and financial condition of  
24 the Bank.

1 **SEC. 205. MANAGING DIRECTOR.**

2 (a) IN GENERAL.—The Bank shall have a Managing  
3 Director who shall serve as chief executive officer of the  
4 Bank.

5 (b) DUTIES.—In accordance with the policies estab-  
6 lished by the Bank Board under section 204, the Manag-  
7 ing Director shall be responsible for—

8 (1) the day-to-day operations of the Bank;

9 (2) appointing, fixing the compensation of, and  
10 defining the authority and duties of, officers, em-  
11 ployees, and agents of the Bank necessary for the  
12 management and operation of the Bank;

13 (3) assisting the Great Lakes and Saint Law-  
14 rence Seaway maritime community in meeting its in-  
15 vestment financing needs;

16 (4) presenting proposals for loans and other as-  
17 sistance of the Bank to the Bank Board for its con-  
18 sideration and approval; and

19 (5) ensuring that potential clients in the Great  
20 Lakes States and Great Lakes Provinces are aware  
21 of the programs and services offered by the Bank.

22 **SEC. 206. FORMS OF ASSISTANCE.**

23 (a) FINANCIAL ASSISTANCE.—

24 (1) IN GENERAL.—The Bank may provide loans  
25 or other assistance to a public or private entity for

1 carrying out a project eligible for assistance under  
2 this title.

3 (2) INTEREST AND FEES.—The Bank shall es-  
4 tablish and collect—

5 (A) interest for making loans under this  
6 title at rates, and

7 (B) fees for providing other assistance  
8 under this title,  
9 that the Bank Board determines appropriate.

10 (3) MAXIMUM AMOUNT.—The amount of loans  
11 and other assistance provided under this title with  
12 respect to a project may not exceed the lesser of—

13 (A) 90 percent of the cost of carrying out  
14 the project; or

15 (B) 80 percent of the difference between  
16 such cost and the amount of loans and other  
17 assistance obtained for carrying out the project  
18 from other sources.

19 (4) SUBORDINATION.—The amount of any loan  
20 or other assistance provided under this title for a  
21 project may be subordinated to any other debt fi-  
22 nancing for the project.

23 (b) TECHNICAL AND MANAGEMENT ASSISTANCE.—  
24 The Bank may also provide, on a fee-for-service basis,  
25 technical or management assistance with respect to a



1 project eligible for assistance under this title. The cost of  
2 such assistance may be financed as part of any financial  
3 assistance provided under this title with respect to the  
4 project.

5 (c) OTHER ASSISTANCE DEFINED.—In this title, the  
6 term “other assistance” means the use of Bank funds to—

7 (1) guarantee, in whole or in part, loans made  
8 by private investors through commercial investment  
9 channels;

10 (2) provide credit enhancements;

11 (3) serve as a capital reserve for bond or debt  
12 instrument financing;

13 (4) subsidize interest rates;

14 (5) ensure the issuance of letters of credit and  
15 credit instruments;

16 (6) finance purchase and lease agreements;

17 (7) provide bond or debt financing instrument  
18 security; and

19 (8) provide other forms of debt financing and  
20 methods of leveraging funds that relate to the  
21 project with respect to which such assistance is  
22 being provided.

23 **SEC. 207. ELIGIBLE PROJECTS.**

24 (a) IN GENERAL.—The Bank may provide under this  
25 title loans and other assistance only with respect to

1 projects that directly or indirectly improve the efficiency  
2 or competitiveness of the Great Lakes or the Saint Law-  
3 rence Seaway as a transportation route in maritime com-  
4 merce. Such projects may include—

5 (1) maintenance of, or improvement to, Seaway  
6 facilities to accommodate a greater percentage of the  
7 world's commercial vessel fleet;

8 (2) dredging to maintain or widen or deepen  
9 navigational channels in the Great Lakes and the  
10 Seaway;

11 (3) improvement to harbors, ports, docks, and  
12 appurtenant facilities (including cranes and termi-  
13 nals) in the Great Lakes and the Seaway;

14 (4) construction of warehouses and other mari-  
15 time commerce-related development in the Great  
16 Lakes and the Seaway region; and

17 (5) construction, major conversion, and mod-  
18 ernization of commercial passenger or cargo vessels  
19 that will be used in maritime commerce and will re-  
20 sult in a higher level of, or more diverse, vessel traf-  
21 fic in or through the Great Lakes-Saint Lawrence  
22 Seaway system.

23 (b) ELIGIBILITY OF PLANNING, ENGINEERING, DE-  
24 SIGN, AND LAND ACQUISITION COSTS.—Costs of plan-  
25 ning, engineering, design, and land acquisition in connec-

tion with any project described in subsection (a) shall be eligible costs for which the Bank may provide loans and other assistance under this title.

**SEC. 208. CONDITIONS ON ASSISTANCE.**

(a) LOCATION.—The Bank may provide assistance under this title to a private or public entity involved in maritime commerce in the Great Lakes and the Saint Lawrence Seaway region with respect to a project eligible for assistance under section 207 only if—

(1) the entity is the Corporation or a member of the Bank; and

(2) the project will be carried out, or the entity is registered to do business, within the jurisdictional boundaries of a State or Province of Canada that is a member of the Bank.

(b) PROCUREMENT.—The Bank may provide assistance under this title to a private or public entity only if the entity agrees, in writing, that no contract for procuring goods or services necessary for the planning, design, development, and construction of the project for which such assistance is being provided will be awarded to any person or governmental entity (other than the United States) unless such person or governmental entity, or the political subdivision in which such person is located or registered to do business is a member of the Bank, and pro-

1 vides such other assurances as the Bank may require to  
2 ensure that such agreement will be fulfilled.

3 **SEC. 209. BANK REQUIREMENTS.**

4 In carrying out its functions under this title, the  
5 Bank Board shall—

6 (1) ensure that the Bank maintains on a con-  
7 tinuing basis an investment grade rating on its debt  
8 issuances or has a sufficient level of bond or debt fi-  
9 nancing instrument insurance to maintain the viabil-  
10 ity of the Bank;

11 (2) ensure that income generated by the Bank  
12 will be—

13 (A) credited to the Bank;

14 (B) available for use in providing loans  
15 and other assistance to projects eligible for as-  
16 sistance from the Bank; and

17 (C) invested in (i) government securities  
18 that are backed by the full faith and credit of  
19 the United States, any State or political sub-  
20 division of any State, Canada, or any Province  
21 of Canada or political subdivision of any Prov-  
22 ince of Canada, (ii) bank deposits, or (iii) such  
23 other financing instruments as the Bank Board  
24 may approve to earn interest to enhance the  
25 leveraging of projects assisted by the Bank;

1           (3) ensure that a loan made by the Bank will  
2       bear interest at or below market rates, as deter-  
3       mined appropriate by the Bank Board, to make the  
4       project that is the subject of the loan feasible;

5           (4) ensure that repayment of such loan will  
6       commence not later than 1 year after the date of  
7       completion of the project or the facility is open to  
8       maritime traffic, whichever is later; and

9           (5) ensure that the term for repaying such loan  
10      will not exceed 25 years beginning on the date on  
11      which the first payment is due on the loan.

12 **SEC. 210. BANK CORPORATE POWERS.**

13       For the purpose of carrying out its functions under  
14      this title, the Bank shall have the following powers:

15           (1) To have succession in its corporate name.

16           (2) To adopt and use a corporate seal.

17           (3) To sue and be sued in its corporate name.

18           (4) To admit members to the Bank under the  
19      procedures and conditions established under section  
20      204(c)(6).

21           (5) To indemnify members of the Bank Board  
22      and officers, employees, and agents of the Bank for  
23      liabilities and expenses incurred within the scope of  
24      their employment by the Bank.

1           (6) To adopt, amend, and repeal bylaws, rules,  
2           and regulations which shall—

3                   (A) govern the manner in which its busi-  
4           ness will be conducted and the powers vested in  
5           it will be exercised; and

6                   (B) be made after notice and opportunity  
7           for participation by interested persons and gov-  
8           ernmental entities.

9           (7) To make and carry out such contracts or  
10          agreements as are necessary or advisable in the con-  
11          duct of its business.

12          (8) To issue bonds from time to time in its dis-  
13          cretion for public purposes if such bonds do not con-  
14          stitute a debt of the United States, Canada, any  
15          State, or any Province of Canada and if the pay-  
16          ment of principal of, and interest on, such bonds is  
17          not guaranteed by the United States, Canada, any  
18          State, or Province of Canada.

19          (9) To acquire, by purchase, lease, or donation,  
20          such real and personal property and any interest  
21          therein, and to sell, lease, or otherwise dispose of  
22          such real and personal property, as the Bank Board  
23          considers necessary for the conduct of its business.

24          (10) To determine the character of, and the ne-  
25          cessity for, its obligations and expenditures, and the

1 manner in which they shall be incurred, allowed, and  
2 paid to carry out the objectives of this Act and the  
3 agreement entered into under section 4.

4 (11) To retain and use all its revenues for pur-  
5 poses of financing Bank operations.

6 (12) To provide, through contract or self-insur-  
7 ance, for liability insurance and insurance against  
8 loss incurred in connection with property, assets,  
9 and operations of the Bank.

10 (13) To guarantee securities for which it has  
11 provided assistance in order to facilitate their sale.

12 (14) To buy and sell securities it has issued.

13 (15) To exercise such other powers incidental to  
14 its business as shall be necessary or appropriate to  
15 carry out its functions under section 202.

16 (16) To invest funds not needed in its financing  
17 and other operations in such obligations as it shall  
18 determine to be prudent and appropriate.

19 (17) To invest funds held by it for pension or  
20 similar purposes in any appropriate marketable se-  
21 curities.

22 (18) To fix the compensation of Bank Board  
23 members.

1 **SEC. 211. BANK MEMBERSHIP.**

2 (a) IN GENERAL.—A person, including a govern-  
3 mental entity (other than the United States and the Cor-  
4 poration), may become a member of the Bank if such per-  
5 son complies with the procedures and conditions estab-  
6 lished by the Bank Board under section 204(c)(6) and  
7 meets the subscription requirements of this section.

8 (b) SUBSCRIPTION OF SHARES.—

9 (1) INITIAL.—In order to be a member of the  
10 Bank, a person shall subscribe to such minimum  
11 number of shares of capital stock of the Bank as the  
12 Bank Board may establish.

13 (2) ADDITIONAL.—

14 (A) IN GENERAL.—When there are unsub-  
15 scribed shares of the Bank's capital stock or an  
16 increase in the capital stock is approved under  
17 subsection (g)(2), each member may subscribe,  
18 under conditions established by the Bank  
19 Board, to an amount of increased shares of  
20 capital stock that does not exceed the amount  
21 determined by multiplying—

22 (i) the amount of such unsubscribed  
23 or increased shares, by

24 (ii) the ratio of the shares of capital  
25 stock of the Bank owned by such member  
26 on the day before such increase bears to



1 the aggregate shares of such stock owned  
2 by all members of the Bank on such day.

3 (B) AVAILABILITY TO NONMEMBERS.—The  
4 shares of capital stock that members do not  
5 subscribe to under subparagraph (A) may be  
6 made available by the Bank for subscription to  
7 persons and governmental entities (other than  
8 the United States) who are not members of the  
9 Bank but who intend to become members of the  
10 Bank.

11 (c) DIVISION AND CALLS OF SUBSCRIBED SHARES.—  
12 The subscription of each member of the Bank shall be di-  
13 vided into 2 parts as follows:

14 (1) 15 percent shall be paid-in cash or cash  
15 equivalent.

16 (2) The remaining 85 percent shall be subject  
17 to call by the Bank when required to meet the obli-  
18 gations of the Bank to its creditors.

19 (d) CALLABLE CAPITAL.—Capital of members of the  
20 Bank subject to call may only be called on a pro rata basis  
21 with each member providing a share of the funds being  
22 called which corresponds to its ownership share in the  
23 Bank on the date of the call.

24 (e) LIMITATION ON LIABILITY.—The liability of each  
25 member of the Bank shall be limited to the unpaid portion

1 of the issue price of the shares of capital stock of the Bank  
2 subscribed to by the member.

3 (f) RESTRICTIONS ON ISSUANCE, TRANSFER, AND  
4 PLEDGE OF SHARES.—Shares of capital stock of the Bank  
5 may be issued only to members of the Bank, may not be  
6 pledged or encumbered in any manner by the members  
7 of the Bank, and may be transferred only to the Bank  
8 by its members.

9 (g) AUTHORIZED CAPITALIZATION.—

10 (1) IN GENERAL.—The authorized capitaliza-  
11 tion of the Bank shall be \$2,000,000,000. Subject to  
12 section 212, the United States and Canada shall  
13 each provide to the Bank \$600,000,000 in long-term  
14 loans. The authorized capital stock of the Bank shall  
15 be \$800,000,000 and shall be divided into 800,000  
16 shares having a par value of \$1,000 each. Such  
17 shares shall be available only for subscription by  
18 members of the Bank.

19 (2) INCREASED CAPITAL STOCK.—The capital  
20 stock of the Bank may be increased when the Bank  
21 deems it advisable by a majority vote of members of  
22 the Bank.

1 **SEC. 212. UNITED STATES PARTICIPATION.**

2 (a) PROHIBITION ON CAPITAL STOCK SUBSCRIP-  
3 TION.—The United States may not subscribe to shares of  
4 capital stock of the Bank.

5 (b) DIRECT LOAN.—Subject to advance appropria-  
6 tions, the Secretary shall make a direct loan to the Bank  
7 of \$100,000,000 after the Secretary determines that—

8 (1) the Bank is properly incorporated and char-  
9 tered in the United States and Canada;

10 (2) the Bank has established reasonable condi-  
11 tions for admitting members to the Bank, taking  
12 into consideration the financial strength of the po-  
13 tential members and the requirements of the Bank  
14 to remain financially viable; and

15 (3) the Government of Canada is making a  
16 similar loan to the Bank.

17 (c) AGREEMENT FOR FUTURE LOANS.—The Sec-  
18 retary and the Bank Board shall enter into an agreement  
19 under which the Secretary, subject to advance appropria-  
20 tions, will make direct loans to the Bank not to exceed  
21 \$500,000,000 in the aggregate. The Secretary may make  
22 a loan under this subsection only if the Bank dem-  
23 onstrates to the satisfaction of the Secretary that the  
24 Bank needs such loans to meet the Bank's obligations to  
25 its creditors.

1 (d) TERMS AND CONDITIONS.—A loan made by the  
 2 United States to the Bank under this section and section  
 3 211(g)—

4 (1) shall be for a term no longer than 25 years;

5 (2) shall bear interest at—

6 (A) a rate the Secretary of the Treasury  
 7 establishes, considering the current average  
 8 yield on outstanding marketable obligations of  
 9 the United States that have remaining periods  
 10 of maturity comparable to the average maturity  
 11 of the loan, adjusted to the nearest .125 per-  
 12 cent; plus

13 (B) an allowance the Secretary of Trans-  
 14 portation considers adequate to cover adminis-  
 15 trative costs and probable losses;

16 (3) shall be subject to a call for repayment by  
 17 the Bank at any time that the Secretary determines  
 18 the Bank is not complying with the objectives of this  
 19 title; and

20 (4) shall be subject to such other terms and  
 21 conditions as the Secretary determines appropriate.

22 **SEC. 213. LIMITATIONS ON UNITED STATES LIABILITY.**

23 (a) CONTRIBUTION.—The lending or contribution of  
 24 Federal funds, or the provision of credit or credit enhance-  
 25 ment by the United States, to the Bank shall not be con-

1 strued as a commitment, guarantee, or obligation on the  
2 part of the United States to any third party, nor shall  
3 any third party have any right against the United States  
4 for payment solely by virtue of the contribution.

5 (b) FINANCING INSTRUMENT.—Any security or debt  
6 financing instrument issued by the Bank shall expressly  
7 state that the security or instrument does not constitute  
8 a direct or indirect commitment, guarantee, or obligation  
9 of the United States.

10 (c) OUTSTANDING LOAN.—The liability of the United  
11 States to the Bank or any other person or governmental  
12 entity for any claim arising as a result of any action or  
13 inaction by the Bank shall be limited to the aggregate  
14 amount of loans from the United States to the Bank out-  
15 standing on the date the claim arose or at the time of  
16 final judgment, whichever results in the lesser amount.

17 **SEC. 214. FEDERAL RESERVE BANKS AS DEPOSITORIES.**

18 Any Federal Reserve bank that is requested to do so  
19 by the Bank may act as its depository or as its fiscal  
20 agent.

21 **SEC. 215. REPORTS ON BANK SECURITIES.**

22 (a) REPORTS TO SECURITIES AND EXCHANGE COM-  
23 MISSION.—The Bank shall file with the Securities and Ex-  
24 change Commission such annual and other reports with  
25 regard to securities issued by the Bank (including any

1 guarantee made by the Bank, whether or not limited in  
2 scope) as the Commission determines to be appropriate  
3 in view of the special character of the Bank and its oper-  
4 ations and necessary in the public interest or for the pro-  
5 tection of investors.

6 (b) REPORTS TO CONGRESS.—The Commission shall  
7 include in its annual reports to Congress such information  
8 as the Commission shall deem advisable with regard to  
9 the operations of the Bank and the reports submitted to  
10 the Commission under subsection (a) and in connection  
11 therewith shall include any views submitted for such pur-  
12 pose by any association of dealers registered with the  
13 Commission.

14 **SEC. 216. JURISDICTION AND VENUE OF CIVIL ACTIONS BY**  
15 **OR AGAINST BANK.**

16 (a) JURISDICTION.—The United States district  
17 courts shall have original and exclusive jurisdiction of any  
18 civil action brought in the United States by or against the  
19 Bank.

20 (b) VENUE.—For purposes of section 1391(b) of title  
21 28, United States Code, the Bank shall be deemed to be  
22 a resident of the judicial district in which the principal  
23 office of the Bank in the United States, or its agent ap-  
24 pointed for the purpose of accepting service or notice of  
25 service, is located.

1 **SEC. 217. AUDITS AND REPORTS.**

2 (a) ACCOUNTING AND AUDIT.—The books of account  
3 of the Bank shall be maintained in accordance with gen-  
4 erally accepted accounting principles and shall be subject  
5 to an annual audit by independent public accountants of  
6 internationally recognized standing.

7 (b) REPORTS.—The Managing Director shall submit  
8 to the President and the Government of Canada, on or  
9 before the 90th day following the last day of each fiscal  
10 year, a complete and detailed report with respect to the  
11 preceding fiscal year, setting forth—

12 (1) a summary of the Bank's operations for  
13 such preceding fiscal year; and

14 (2) the Bank's financial statements and the  
15 opinion with respect thereto prepared by the inde-  
16 pendent public accountants reviewing such state-  
17 ments, and a copy of any report made on an audit  
18 conducted under subsection (a).

19 (c) ANNUAL REVIEW.—The board of review estab-  
20 lished under section 113(c) shall review the annual audit  
21 conducted under subsection (a) and shall transmit to the  
22 President, Congress, and the Government of Canada a re-  
23 port of its findings with such recommendations as the  
24 board of review considers appropriate.

1 **SEC. 218. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) BANK START-UP COSTS.—There is authorized to  
3 be appropriated \$250,000 to the Secretary for transfer to  
4 the Bank for the United States share of the cost of estab-  
5 lishment of the Bank on the date of establishment of the  
6 Bank. Such funds shall remain available until expended.

7 (b) DIRECT LOAN COSTS.—There is authorized to be  
8 appropriated such sums as necessary for the costs of mak-  
9 ing direct loans under sections 211(g) and 212. For pur-  
10 poses of this subsection, the cost of making a direct loan  
11 are the costs described in section 502(5)(B) of Congres-  
12 sional Budget Act of 1974 (2 U.S.C. 661a(5)(B)).

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